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October 30, 2009

VIA ELECTRONIC FILING

Charles L.A. Terreni, Esquire
Chief Clerk/Administrator
Public Service Commission of South Carolina
101 Executive Center Dr., Suite 100
Columbia, SC 29210

Re: South Carolina Electric & Gas Company's Update of Construction Progress and Request
for Updates and Revisions to Schedules Related to the Construction of a Nuclear Base
Load Generation Facility at Jenkinsville, South Carolina
Docket No. 2009-293-E

Dear Mr. Terreni:

Attached please find the Stipulation reached today among the South Carolina Office of Regulatory Staff,
South Carolina Energy Users Committee and South Carolina Electric & Gas Company.

Respectfully submitted,

Shannon Bowyer Hudson

SBH/pjm

cc: Parties of Record

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2009-293-E
OCTOBER ~~30~~³¹, 2009

IN RE:	South Carolina Electric & Gas Company's)	
	Update of Construction Progress and Request)	
	for Updates and Revisions to Schedules)	STIPULATION
	Related to the Construction of a Nuclear Base)	
	Load Generation Facility at Jenkinsville,)	
	South Carolina)	

This Stipulation is made by and among the South Carolina Office of Regulatory Staff (“ORS”); South Carolina Energy Users Committee (“SCEUC”); and South Carolina Electric & Gas Company (“SCE&G”) (collectively referred to as the “Parties” or sometimes individually as a “Party”).

WHEREAS, the Public Service Commission of South Carolina (“Commission”) opened this docket to consider a request by SCE&G (“SCE&G’s request”) on July 20, 2009 to update and revise the nuclear facilities’ (“the Units”) construction schedule and capital cost schedule pursuant to S.C. Code Ann. § 58-33-270(E) set forth in the Base Load Review Act Order No. 2009-104(A) (“Order No. 2009-104(A)”);

WHEREAS, S.C. Code Ann. § 58-33-270(E) states:

(E) As circumstances warrant, the utility may petition the commission, with notice to the Office of Regulatory Staff, for an order modifying any of the schedules, estimates, findings, class allocation factors, rate designs, or conditions that form part of any base load review order issued under this section. The commission shall grant the relief requested if, after a hearing, the commission finds:

- (1) as to the changes in the schedules, estimates, findings, or conditions, that the evidence of record justifies a finding that

- the changes are not the result of imprudence on the part of the utility; and
- (2) as to the changes in the class allocation factors or rate designs, that the evidence of record indicates the proposed class allocation factors or rate designs are just and reasonable.

WHEREAS, SCE&G made this request as a result of receiving an improved and refined construction schedule called the Performance Measurement Baseline Schedule (“PMBS”) on April 1, 2009 from its contractors who will be constructing the Units;

WHEREAS, ORS has monitored and tracked SCE&G’s request to update and revise the Units’ construction schedule and capital cost schedule pursuant to §58-33-270(E) which fully support the facts and representation hereinafter set out.

WHEREAS, the improved and refined construction schedule does not alter the commercial operation dates of 2016 and 2019, respectively, for the Units;

WHEREAS, as a result of an updated construction schedule, the capital cost schedule is also updated to account for changes in timing and sequence of construction activities related to the Units;

WHEREAS, the updated capital cost schedule does not modify or alter the total cost forecast for the facilities as approved in Order No. 2009-104(A) in the amount of \$4,534,747,000 in 2007 dollars net of Allowance for Funds Used During Construction (“AFUDC”).

WHEREAS, SCE&G is making no request to change class allocation factors or rate designs under S.C. Code Ann. § 58-33-270(E)(2);

WHEREAS, the Commission allowed for public comment and intervention in the above-captioned docket;

WHEREAS, SCEUC and Friends of the Earth (“FOE”) made timely requests to intervene;

2009-104(A). As of June 30, 2009, the project was on budget and SCE&G had spent a total of \$264,786,000 of capital.

4. As of the end of the second quarter of 2009, SCE&G asserts that its contractors had completed all required milestones as set forth in Exhibit E as adjusted pursuant to the milestone schedule contingencies approved by the Commission in Order No. 2009-104(A).

5. The Parties acknowledge that the PMBS has unbundled certain milestones as previously approved into several discrete items and now tracks the 123 milestones approved in Order No. 2009-104(A) as 146 milestones. In making these changes, no milestones have been omitted.

6. This updated schedule incorporates equipment procurement and delivery commitments negotiated with vendors and suppliers between May 2008 and the date of receipt, April 1, 2009, as well as provides a more detailed integration of site specific and non-site specific construction activities. The milestone dates contained in the PMBS are fully consistent with the guaranteed Substantial Completion dates for the Units of April 1, 2016 and January 1, 2019 and with the currently approved milestones and milestone contingencies.

7. The modifications to the approved construction schedule have resulted in some adjustments to the cash flow for the project due to the changes in timing and sequence of construction activities. The Parties agree that Exhibit F, as approved by the Commission in Order No. 2009-104(A), should be revised to account for these cash flow modifications. This updated capital cost schedule does not modify or alter the established cost forecast for the project as approved in Order No. 2009-104(A) of \$4,534,747,000 in 2007 dollars net of AFUDC. All of the capital costs currently reflected in the updated capital cost schedule are within the approved capital cost scheduling contingencies as set forth in Order No. 2009-104(A).

8. The Parties agree that the updated construction schedule and capital cost schedule are the result of refining and improving the timing and sequence of construction activities and are not the result of imprudence by SCE&G.

9. The Parties agree that the updated construction schedule and capital cost schedule should be approved by the Commission as the new schedules for Order No. 2009-104(A). Specifically, the revised construction schedule set forth in Exhibit 2 of SCE&G's request should replace Exhibit E in Order No. 2009-104(A), and the revised capital cost schedule set forth in Exhibit 3 of SCE&G's request should replace Exhibit F in Order No. 2009-104(A). SCE&G and ORS agree that by approving these updated schedules, the schedules will more closely align with construction and cash flow and allow for easier monitoring than the currently approved schedules.

10. The Parties acknowledge that an appeal of Order No. 2009-104(A) has been taken by SCEUC and is currently pending before the South Carolina Supreme Court. By entering into this Stipulation, SCEUC shall not be deemed to have waived any arguments, claims or positions made or raised in its appeal. The Parties further agree that this Stipulation will not be used by any Party as evidence or a basis of argument against the legal positions taken by SCEUC in its appeal, both in the proceedings before the Supreme Court or in any other proceedings. SCEUC does not object to the approval of the updated schedules as the updated schedules do not alter or affect the total project contingencies which are part of the basis of SCEUC's appeal.

11. The Parties agree this Stipulation is reasonable, in the public interest and in accordance with law and regulatory policy.

12. ORS is charged with the duty to represent the public interest of South Carolina pursuant to S.C. Code §58-4-10(B) (Supp. 2008). S.C. Code §58-4-10(B)(1) through (3) reads in part as follows:

signatures and e-mail signatures shall be as effective as original signatures to bind any party.

This document may be signed in counterparts, with the various signature pages combined with the body of the document constituting an original and provable copy of this Stipulation.

[Signatures on the following pages.]

WE AGREE:

Representing and binding the South Carolina Office of Regulatory Staff



Shannon Bowyer Hudson, Esquire

South Carolina Office of Regulatory Staff

1401 Main Street, Suite 900

Columbia, SC 29201

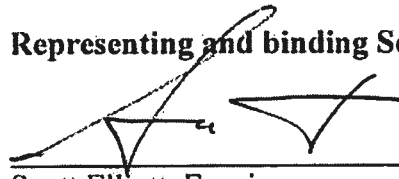
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WE AGREE:

Representing and binding South Carolina Energy Users Committee

A handwritten signature in black ink, appearing to be 'Scott Elliott', is written over a horizontal line.

Scott Elliott, Esquire

Elliott & Elliott, P.A.

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Columbia, SC 29205

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WE AGREE:

Representing and binding South Carolina Electric & Gas Company



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South Carolina Electric & Gas Company

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BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2009-293-E

IN RE: South Carolina Electric & Gas Company's Update of)	
Construction Progress and Request for Updates and)	
Revisions to Schedules Related to the Construction of)	CERTIFICATE OF
a Nuclear Base Load Generation Facility at)	SERVICE
Jenkinsville, South Carolina)	
)	

This is to certify that I, Pamela J. McMullan, have this date served one (1) copy of the **STIPULATION** in the above-referenced matter to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:


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Haynsworth Sinkler Boyd, PA
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Columbia, SC 29201


Pamela J. McMullan

October 30, 2009
Columbia, South Carolina